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## India

### Grain and Feed

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**Report Highlights:**

After heavy shipments over the past several months, India's rice exports have started tapering off. CY 2004 exports are forecast to decline sharply to 2.5 million tons from 4.3 million tons in CY 2003. Wheat exports remained strong and are estimated at 6.1 million tons in 2002/03 (Jul-Jun) and are forecast at 3.5 million tons in 2003/04

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

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### **Rice Exports Tapering Off**

Post estimates CY 2003 rice exports at 4.3 million tons, and forecasts CY 2004 exports at 2.5 million tons. Based on preliminary shipment data obtained from private sources, Post estimates Jan-Oct 2003 rice exports at 4.0 million tons, including trade over land to Bangladesh. With some additional small rice exports likely in November and December (mostly basmati), CY 2003 exports are estimated at 4.3 million tons, compared with 6.7 million tons in CY 2002. CY 2004 exports are forecast to decline sharply to 2.5 million tons, due to low government stocks.

After heavy shipments over the past several months, India's rice exports are slowing with only three vessels now loading or waiting to load rice at Indian ports and almost no ships in the pipeline. Exports of non-basmati white rice from India are likely to cease next month, unless the government of India (GOI) resumes allocating rice for exports from its stocks at subsidized prices, which currently seems unlikely.

Taking into account a steep decline in rice stocks and infrastructure bottlenecks, the GOI decided to discontinue allocating rice for exports in August 2003. However, the GOI agreed to honor outstanding commitments totaling around 1 million tons to those exporters who had deposited money with the Food Corporation of India. This has now been mostly completed. Although the GOI officials are in discussions about resuming further grain export allocations next month, uncertainties remain regarding the modalities and pricing.

The GOI began subsidizing exports of rice (and wheat) following a large build up in stocks three years ago, resulting in serious storage problems. With rice stocks on September 1, 2003, dipping to a ten-year low of 7.1 million tons, and with wheat stocks also down sharply, there is no longer a storage problem. Hence, there are no domestic pressures for the GOI to export rice, particularly at highly subsidized prices.

### **Wheat Stocks also Down**

Government wheat stocks on September 1 were 20.7 million tons, down 17 million tons from a year ago, and the lowest since 1999. Stocks are likely to drop to around 9 million tons by April 1, 2004; still above the GOI's desired buffer stock level of 4 million tons.

### **2002/03 Exports Higher**

Wheat exports during 2002/03 (July-June) are revised upward to 6.1 million tons, based on vessel movement data from Indian ports. July - October 2003 exports have already crossed 2 million tons, and are forecast at 3.5 million tons for 2003/04 (July-June).

**Table 1: Government Procurement, Stocks, and Offtake of Wheat (a year ago)**  
(million metric tons)

	Stocks	Procurement Cumulative	Imports	Offtake *
<b>Sep 1, 2002</b>	37.9 (37.9)			2.2 (1.2)
<b>Oct 1</b>	35.6 (26.8)			2.3 (1.4)
<b>Nov 1</b>	33.1 (35.8)			1.7 (1.6)
<b>Dec 1</b>	31.3 (34.0)			2.4 (1.6)
<b>Jan 1, 2003</b>	28.8 (32.4)			2.4 (2.0)
<b>Feb 1</b>	21.3 (30.2) #			2.7 (1.9)
<b>Mar 1</b>	18.6 (28.5)	19.0 (20.6) <b>1/</b>		2.9 (1.7)
<b>Apr 1</b>	15.7 (26.0)			1.6 (1.1)
<b>May 1</b>	26.0 (38.1)			1.9 (1.3)
<b>Jun 1</b>	26.6 (41.3)			2.3 (1.6)
<b>Jul 1</b>	24.2 (41.1)			2.3 (1.5)
<b>Aug 1</b>	22.4 (39.7)			1.7 (2.4)
<b>Sep 1</b>	20.7 (37.9)	15.8 (19.0) <b>2/</b>		

\* Includes exports

**1/** Cumulative procurement: April 1, 2002 to March 31, 2003

**2/** Cumulative procurement: April 1, 2003 to September 30, 2003

# The sharp decline in stocks was attributed to "accounting errors"

**Table 2: Government Procurement, Stocks, and Offtake of Rice (a year ago)**  
(million metric tons)

	Stocks	Procurement Cumulative	Imports	Offtake *
<b>Sep 1, 2002</b>	17.5 (21.6)	21.3 (19.6) <b>1/</b>		1.9 (1.5)
<b>Oct 1</b>	15.8 (21.5)			2.0 (1.1)
<b>Nov 1</b>	20.5 (26.5)			1.6 (1.2)
<b>Dec 1</b>	20.3 (25.1)			1.8 (1.3)
<b>Jan 1, 2003</b>	19.4 (25.6)			1.8 (1.8)
<b>Feb 1</b>	18.8 (26.1)			1.8 (1.6)
<b>Mar 1</b>	17.6 (26.0)			2.4 (2.3)
<b>Apr 1</b>	17.2 (24.9)			1.6 (1.7)
<b>May 1</b>	15.3 (24.5)			2.4 (2.4)
<b>Jun 1</b>	13.2 (23.4)			2.6 (2.4)
<b>Jul 1</b>	11.0 (21.9)			2.9 (2.1)
<b>Aug 1</b>	8.1 (20.1)			
<b>Sep 1</b>	7.1 (17.5)	16.2 (20.8) <b>2/</b>		

\* Includes exports

**1/** Cumulative procurement: October 1, 2001 to September 30, 2002

**2/** Cumulative procurement: October 1, 2002 to September 30, 2003

**Source: Department of Food and Public Distribution, GOI**

Table 3: Commodity, Rice Milled, PSD Table

PSD Table							
Country:	<b>India</b>						
Commodity:	<b>Rice, Milled</b>						
		<b>2001</b>		<b>2002</b>		<b>2003</b>	UOM
	Old	New	Old	New	Old	New	
<b>Market Year Begin</b>		<b>10/2001</b>		<b>10/2002</b>		<b>10/2003</b>	(MONTH/YEAR)
Area Harvested	44,600	44,600	40,000	40,000	44,000	44,000	(1000 Hectares)
Beginning Stocks	25,051	25,051	24,480	24,480	12,000	12,000	(1000 MT)
Milled Production	93,080	93,080	75,700	75,700	89,000	89,000	(1000 MT)
Rough Production	139,634	139,634	113,561	113,561	133,513	133,513	(1000 MT)
Milling Rate(.9999)	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Imports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
<b>TOTAL SUPPLY</b>	118,131	<b>118,131</b>	100,180	<b>100,180</b>	101,000	<b>101,000</b>	(1000 MT)
TOTAL Exports	6,300	6,300	4,250	4,550	3,000	3,000	(1000 MT)
Jan-Dec Exports	6,650	6,650	4,000	4,300	2,500	2,500	(1000 MT)
TOTAL Dom. Consumption	87,351	87,351	82,680	83,630	85,000	85,000	(1000 MT)
Ending Stocks	24,480	24,480	13,250	12,000	13,000	13,000	(1000 MT)
<b>TOTAL DISTRIBUTION</b>	118,131	<b>118,131</b>	100,180	<b>100,180</b>	101,000	<b>101,000</b>	(1000 MT)

Table 4: Commodity, Wheat, PSD Table

PSD Table								
Country:	India							
Commodity:	Wheat							
		2001		2002		2003		UOM
	Old	New	Old	New	Old	New		
Market Year Begin		04/2001		04/2002		04/2003	(MONTH/YEAR)	
Area Harvested	25,700	25,700	25,900	25,900	25,000	25,000	(1000 Hectares)	
Beginning Stocks	21,500	21,500	23,925	23,000	17,960	15,700	(1000 MT)	
Production	69,680	69,680	71,810	71,810	67,000	67,000	(1000 MT)	
TOTAL Mkt. Yr. Imports	32	32	25	25	50	20	(1000 MT)	
Jul-Jun Imports	33	33	25	25	50	20	(1000 MT)	
Jul-Jun Import U.S.	23	23	0	0	0	0	(1000 MT)	
<b>TOTAL SUPPLY</b>	91,212	<b>91,212</b>	95,760	<b>94,835</b>	85,010	<b>82,720</b>	(1000 MT)	
TOTAL Mkt. Yr. Exports	3,087	3,087	4,500	5,300	2,000	5,000	(1000 MT)	
Jul-Jun Exports	3,234	3,234	5,000	6,100	2,000	3,500	(1000 MT)	
Feed Dom. Consumption	500	500	600	600	600	600	(1000 MT)	
TOTAL Dom. Consumption	64,200	65,125	73,300	73,835	69,000	68,720	(1000 MT)	
Ending Stocks	23,925	23,000	17,960	15,700	14,010	9,000	(1000 MT)	
<b>TOTAL DISTRIBUTION</b>	91,212	<b>91,212</b>	95,760	<b>94,835</b>	85,010	<b>82,720</b>	(1000 MT)	